

THE WESTERN PACIFIC RAILROAD COMPANY

WESTERN PACIFIC BUILDING, 526 MISSION STREET
SAN FRANCISCO, CALIFORNIA 94105
TELEPHONE: (415) 982-2100

WALTER G. TREANOR
VICE PRESIDENT-LAW

KATHERINE M. GRIFFIN
GENERAL ATTORNEY

EUGENE J. TOLER
ALBERT C. TAYLOR
ATTORNEYS

RECORDATION NO. *8928 B* April 2, 1979
Filed 1425

APR 4 1979 - 11 45 AM

9-094A098

Honorable H. G. Homme, Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Date APR 03 1979
Fee \$ *10.00*

Dear Secretary Homme:

ICC Washington, D. C.

Enclosed for filing and recording with the Interstate Commerce Commission under Section 20c of the Interstate Commerce Act are an original executed counterpart of a Second Supplemental Indenture dated as of April 4, 1979 to the First and Refunding Mortgage dated as of January 1, 1951 and First Supplemental Indenture thereto dated as of June 15, 1977 between The Western Pacific Railroad Company, a California corporation, and The Western Pacific Railroad Company, a Delaware corporation, formerly known as Newrail Company, Inc., (Mortgagor), 526 Mission Street, San Francisco, California 94105 and Crocker National Bank, Trustee (Mortgagee), One Montgomery Street, San Francisco, California 94104.

Included in the property covered by the aforesaid mortgage and supplemental indenture are barges, ferries or other vessels, railroad locomotives, freight cars and other rolling stock, trucks and other equipment and aircraft used or intended for use in connection with interstate commerce or interests therein, owned by The Western Pacific Railroad Company at the date of said mortgage and supplemental indentures or thereafter acquired by it.

Prior recording of the Mortgage and Supplemental Indenture was on August 8, 1977 at 3:40 p.m. and assigned recordation Nos. 8928 and 8928A.

Enclosed also are two certified true copies of Second Supplemental Indenture for retention in the files of the Commission. Also enclosed is this Company's check for \$10 in payment of the filing fee.

Please return any unneeded originals with the recordation data stamped thereon to the undersigned at 526 Mission Street, San Francisco, California 94105.

RECEIVED

Yours very truly,

Katherine M. Griffin

Katherine M. Griffin

KMG:pra
Attach.

Interstate Commerce Commission
Washington, D.C. 20423

448

4/4/79

OFFICE OF THE SECRETARY

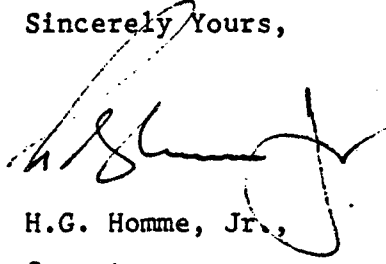
Katherine M. Griffin
The Western Pacific RR. Co.
Western Pacific Building
526 Mission Street
San Francisco, Calif. 94105

Dear

Ms. Griffin:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on at 11:45am,
4/4/79
and assigned recordation number(s)
8928-B

Sincerely Yours,


H.G. Homme, Jr.,
Secretary

Enclosure(s)

SE-30-T
(2/78)

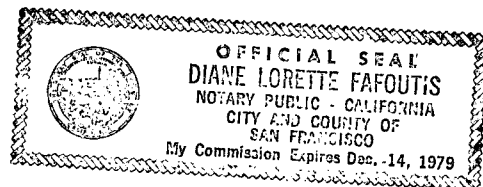
REGISTRATION NO. *8928-B* Filed 1925
APR 4 1979 - 11 45 AM
INTERSTATE COMMERCE COMMISSION

STATE OF CALIFORNIA)
) ss.
CITY AND COUNTY OF SAN FRANCISCO)

I, DIANE LORETTE FAFOUTIS, certify that I am a Notary Public in and for the City and County of San Francisco, State of California, that I have compared the foregoing copy of the Second Supplemental Indenture dated as of April 4, 1979 to The Western Pacific Railroad Company First and Refunding Mortgage dated as of January 1, 1951 to the original thereof and that the foregoing is a true and correct copy thereof in all respects.

Dated: April 2, 1979.

Diane Lorette Fafoutis



THE WESTERN PACIFIC RAILROAD COMPANY

and

NEWRAIL COMPANY, INC.

to

CROCKER NATIONAL BANK,

Trustee

SECOND SUPPLEMENTAL INDENTURE

Dated as of April 4, 1979

to

THE WESTERN PACIFIC RAILROAD COMPANY
FIRST AND REFUNDING MORTGAGE

Dated as of January 1, 1951

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*This Table of Contents shall not for any purpose be deemed to be a part of the Indenture or of the Second Supplemental Indenture.

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SECOND SUPPLEMENTAL INDENTURE

THIS SUPPLEMENTAL INDENTURE dated as of April 4, 1979, by and between **THE WESTERN PACIFIC RAILROAD COMPANY**, a corporation organized and existing under the laws of the State of California (hereinafter called the "Company"), and **NEWRAIL COMPANY, INC.**, a corporation organized under the laws of the State of Delaware (hereinafter called "Newrail"), parties of the first part, and **CROCKER NATIONAL BANK**, a national banking association (formerly Crocker First National Bank of San Francisco), and having its principal office and place of business in the City and County of San Francisco, California, as Trustee (hereinafter called the "Trustee"), party of the second part, as Trustee under the First and Refunding Mortgage dated as of January 1, 1951, between the Company and the Trustee (hereinafter called the "Original Indenture") as supplemented by a First Supplemental Indenture dated as of June 15, 1977 (the Original Indenture, as supplemented, being herein referred to as the "Indenture");

WHEREAS, the Company and certain of its wholly-owned subsidiaries (hereinafter sometimes collectively referred to as "Sellers") intend to convey all of their businesses as a going concern and their assets, properties and rights (hereinafter referred to as the "Assets") to Newrail and its corresponding wholly-owned subsidiary corporations formed under the laws of the State of California (hereinafter sometimes collectively referred to as "Buyers") pursuant to a sale agreement between Sellers and Buyers dated February 16, 1978 (hereinafter referred to as the "Sale Agreement") as follows:

1. The Company intends to convey its Assets to Newrail;
2. Tidewater Southern Railway Company intends to convey its Assets to Newtide Co., Inc.;
3. Sacramento Northern Railway intends to convey its Assets to Newsacno Co., Inc.;
4. Standard Realty and Development Company intends to convey its Assets to Newstan Co., Inc.;

each such Buyer and its corresponding Seller being hereinafter referred to as "its Buyer" or "its Seller", as the case may be; and

WHEREAS, pursuant to the Sale Agreement, each Buyer intends to assume and perform, pay and discharge all of the debts, liabilities and obligations of its Seller and to assume, perform and fulfill all terms and conditions required of its Seller under all executory contracts, agreements, leases, licenses, commitments and undertakings of its Seller; and

WHEREAS, pursuant to the Sale Agreement, effective as of the closing thereof, Newrail shall, by a supplemental indenture, expressly assume the due and punctual payment of the principal of and interest on all of the Bonds issued and to be issued under the Indenture, according to their tenor and purport, and the due and punctual performance of all of the covenants, terms and conditions of the Indenture to be kept, observed and performed by the Company; and

WHEREAS, the Company and Newrail desire by this Second Supplemental Indenture to evidence the succession of Newrail to the Company and the assumption by Newrail of the covenants and obligations of the Company under the Indenture, effective as of the closing of the Sale Agreement, and to cure certain ambiguities arising under the Indenture; and

WHEREAS, all acts and things prescribed by law and by the by-laws of the Company and Newrail have been duly performed and complied with and the Company and Newrail have each executed this Second Supplemental Indenture in the exercise of legal right, power and authority in it vested; and

WHEREAS, for the purposes hereinabove recited, and pursuant to due corporate action, the Company and Newrail have duly determined to execute and deliver to the Trustee a supplemental indenture in the form hereof supplementing and modifying the Indenture;

Now, THEREFORE, this Second Supplemental Indenture

WITNESSETH:

That for and in consideration of the mutual premises and other valuable consideration, the Company and Newrail do hereby covenant and agree with the Trustee as follows:

PART ONE

AMENDMENTS

§ 1.01. The Indenture is hereby supplemented and amended so as to insert therein, immediately following Article Twenty thereof, a new Article Twenty-One as follows:

ARTICLE TWENTY-ONE

PROVISIONS CONCERNING THE SUCCESSOR CORPORATION

SECTION 21.01. Effective as of the Closing of the Sale Agreement, Newrail assumes the due and punctual payment of the principal of and interest on all of the Bonds issued and to be issued hereunder according to their tenor and purport, and the due and punctual performance of all of the covenants, terms and conditions of the Indenture, and of any indentures supplemental thereto, including the Second Supplemental Indenture, to be kept, observed and performed by the Company.

SECTION 21.02. Effective as of the Closing of the Sale Agreement, Newrail confirms the prior lien of this Indenture upon the trust estate and subjects to the lien and operation hereof as a first lien, or as a lien subject only to liens affecting the property and franchises of the Company prior to conveyance of the Assets of the Company to Newrail pursuant to the Sale Agreement: (1) all property heretofore or hereafter acquired by Newrail, in whole or in part, with cash at any time held hereunder by the Trustee or in exchange for property released from the lien hereof or the acquisition or construction of which has been or shall be made the basis, in whole or in part, of the withdrawal of cash or the issuance of Bonds hereunder, or acquired with proceeds of insurance on property subject to the lien hereof; (2) all betterments, extensions, improvements and additions, of, to, upon and for the property, rights and franchises subject to the lien hereof; (3) all repairs, renewals, replacements, substitutions and alterations of, to, upon and for such property, rights and franchises; (4) all property, rights and franchises acquired pursuant to any covenant herein contained which may be purchased, constructed or otherwise acquired by Newrail from and after the Closing of the Sale Agreement, and (5) all other property of every kind and description, real, personal or mixed,

hereafter purchased, constructed or otherwise acquired by Newrail which shall be in any way appurtenant to or incidental to properties of the Company acquired by Newrail under the Sale Agreement subject to the lien of the Indenture or which is of the type or kind described in the granting clauses of the Indenture, but to no greater extent than provided in the granting clauses of the Indenture.

SECTION 21.03. Effective as of the Closing of the Sale Agreement, Newrail hereby undertakes that all property and franchises hereafter acquired by it and necessary to the full and complete performance of any covenant herein contained relating to the maintenance and upkeep of the trust estate, to the making of all needful and proper repairs, renewals, replacements, substitutions and alterations and to the preservation and keeping in full effect of all rights, franchises and privileges subject to the lien hereof, and of any other covenant herein, shall be conclusively deemed and taken to be acquired by it in performance of such covenant and to have become subject to the prior lien of this Indenture.

SECTION 21.04. Effective as of the Closing of the Sale Agreement, Newrail undertakes to keep the trust estate, so far as practicable, readily identifiable.

SECTION 21.05. The Company and Newrail hereby stipulate that the Trustee shall not be taken impliedly to waive, by accepting or joining in the Second Supplemental Indenture, any rights it would otherwise have.

SECTION 21.06. Trustee, pursuant to Sections 4.01(d) and (h) and Article 14 of the Indenture, hereby consents to the conveyance of the assets, properties and rights of the Company constituting the Trust Estate to Newrail pursuant to the Sale Agreement, and, effective as of the Closing of the Sale Agreement, the release of the Company and its subsidiaries from their rights and obligations under the Indenture, the release of the lien of the Indenture from all assets, properties and rights retained or received by the Company and its subsidiaries as provided in the Sale Agreement and the succession and substitution of Newrail in the place of the Company under the Indenture, as if Newrail had been named in and had executed the Indenture.

§1.02. The Indenture is hereby further supplemented and amended as follows:

(a) In the Sixth Granting Clause of the Indenture, Tidewater Southern Railway Company and Standard Realty and Development Company shall each be deleted and the following shall be inserted in their place:

<u>Name of Company</u>	<u>Stated Value Per Share</u>	<u>No. of Shares</u>	<u>Total Stated Value</u>
Newtide Co., Inc.	\$10	10,000	\$100,000
Newsacno Co., Inc.	\$10	10,000	\$100,000
Newstan Co., Inc.	\$10	10,000	\$100,000

(b) The Second Proviso Clause of the Indenture shall be deleted.

(c) The following definitions shall be inserted in Section 1.02 of the Indenture:

"The term *Sale Agreement* referred to in Articles Six, Seven and Twenty-One shall mean a certain agreement by which the Company and certain of its wholly-owned subsidiaries intend to convey all of their businesses as a going concern and their assets, properties and rights to Newrail Company, Inc., formed under the laws of the State of Delaware, and corresponding subsidiary corporations formed under the laws of the State of California."

"The term *Closing* referred to in Articles Six, Seven and Twenty-One shall mean the closing to be held with respect to the Sale Agreement consummating the transactions contemplated therein."

"The term *Effective Date* referred to in Article Seven shall mean the last day of the month immediately preceding the Closing under the Sale Agreement."

(d) The word "and" shall be inserted at the end of subparagraph (3) of Section 6.01 of the Indenture and the following new subparagraph (4) shall be inserted immediately thereafter:

"(4) With respect to the calendar year in which the Closing of the Sale Agreement occurs, such income shall (i) include both the income of the Company from the commencement of such year to the Closing of the Sale Agreement and the income of Newrail from such Closing through the last day of such year and (ii) exclude any gain or loss realized and any costs and expenses incurred by the

Company and its subsidiaries or Newrail and its subsidiaries as a result of or in connection with the consummation of the transactions contemplated by the Sale Agreement;"

(e) The following shall be inserted at the end of the first sentence of the last paragraph of Section 7.12 of the Indenture:

"... or except in conjunction with a transaction subject to the provisions of Article Fourteen of this Indenture."

(f) Section 7.15 of the Indenture shall be deleted.

(g) The following paragraph shall be inserted after subparagraph (b) of Section 7.17 as the second full paragraph of Section 7.17:

"Payments may be made by Newrail after the Closing of the Sale Agreement in an amount not to exceed the sum of (a) \$2,414,000 plus (b) 70% of the aggregate consolidated net income of Newrail for the calendar year in which the Closing occurs commencing the Effective Date under the Sale Agreement and for each calendar year thereafter, taken as one accounting period and determined in accordance with generally accepted accounting principles."

(h) The following shall be inserted as a new Section 7.19 following Section 7.18 in the Indenture:

"Newrail will comply with the terms and conditions, as defined on the effective date of the Decision, of the 'Restriction on dividends' provisions of the Decision of the Interstate Commerce Commission effective February 26, 1979, published in Volume 352 of the Interstate Commerce Commission Reports at pages 885 through 950."

(i) The following shall be inserted as a new first sentence and a new beginning clause of the present first sentence of the second paragraph of Section 8.11 of the Indenture:

"If the provisions of Article 14 are applicable, the following provisions of this paragraph shall not apply. If Article 14 is not applicable, then subject . . ."

(j) Section 14.03 shall be deleted and in its place the following shall be inserted as a new Section 14.03 of the Indenture:

"In case the Company shall be consolidated with or merged into or shall make a conveyance to any other corporation as permitted

and upon the terms provided in Section 14.01 hereof, upon the execution, delivery to the Trustee and recordation of the supplemental indenture provided for in Section 14.01 hereof by the corporation formed by or resulting from such consolidation or merger or to which such conveyance shall have been made as aforesaid, in the event of a conveyance the Company and its subsidiaries shall thereupon be released from all further obligations and shall have no further rights under this Indenture and the lien of this Indenture shall thereupon be released and discharged from all assets, properties and rights retained or received by the Company and its subsidiaries as a result of consummating the transactions resulting from such conveyance and in the event of a consolidation, merger or conveyance, the corporation formed by or resulting from such consolidation or merger or to which such conveyance shall have been made, shall succeed to and be substituted for the Company with the same force and effect as if it had been named in and had executed this Indenture, as the party of the first part hereto, and shall have and possess and may exercise, subject to the terms and conditions of this Indenture and any indentures supplemental hereto, each and every power, authority and right herein reserved to or conferred upon the Company; and thereupon such successor corporation may cause to be signed and may issue, either in its own name or in the name of the party of the first part, and under the corporate seal of either the party of the first part or the successor corporation, any and all Bonds which shall not theretofore have been signed by the party of the first part and delivered to the Trustee; and the Trustee, upon the request of such successor corporation, and subject to all the terms, conditions and limitations in this Indenture and in any and all indentures supplemental hereto prescribed, shall authenticate any and all Bonds which previously shall have been signed by the party of the first part and delivered to the Trustee for authentication, and any Bonds which such successor corporation shall thereafter cause to be signed and delivered to the Trustee for such purpose, and deliver the same to such successor corporation or upon its Order. Upon the release of the

Company and its subsidiaries from their obligations under this Indenture and upon the release and discharge of the lien of this Indenture from all assets, properties and rights of the Company and its subsidiaries in accordance with the immediately preceding sentence, the Trustee shall execute and deliver to the Company and its subsidiaries such documents and instruments as the Company shall reasonably request to evidence and record such releases."

PART TWO

MISCELLANEOUS

§ 2.01. This Second Supplemental Indenture is executed by the Company and the Trustee pursuant to Sections 4.01 (d) and (h) and by Newrail pursuant to Section 14.01 and shall be deemed to be part of the Indenture for any and all purposes. Any provision of the Indenture inconsistent with the provisions of this Second Supplemental Indenture shall be deemed to be superseded by the provisions of this Second Supplemental Indenture. The Indenture, as supplemented by this Second Supplemental Indenture, is, except as modified by this Second Supplemental Indenture, in all respects hereby ratified and confirmed.

§ 2.02. The headings of the several Parts and Articles hereof and the statements contained in the Table of Contents prefixed hereto are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

§ 2.03. This Second Supplemental Indenture may be executed in several counterparts, each of which shall be an original, and all collectively shall constitute but one instrument.

§ 2.04. This Second Supplemental Indenture shall be construed in accordance with and governed by the laws of the State of California.

IN WITNESS WHEREOF, THE WESTERN PACIFIC RAILROAD COMPANY and NEWRAIL COMPANY, INC. have each caused this Second Supplemental Indenture to be signed and acknowledged by its President or one of its Vice Presidents, and its corporate seal to be affixed hereunto and the same to be attested by the signature of its Secretary or one of its Assistant Secretaries; and CROCKER NATIONAL BANK, as Trustee,

has caused this Second Supplemental Indenture to be signed and acknowledged by one of its Vice Presidents, and its corporate seal to be affixed hereunto and the same to be attested by the signature of its Secretary or one of its Assistant Secretaries, all as of the day and year first above written.

THE WESTERN PACIFIC RAILROAD COMPANY

By

W. H. Humber, Jr.
Sr. Vice President - Finance

[CORPORATE SEAL]

ATTEST:

H. D. Brew

SECRETARY

NEWRAIL COMPANY, INC.

By

W. H. Humber, Jr.
Sr. Vice President - Finance

[CORPORATE SEAL]

ATTEST:

H. D. Brew

SECRETARY

CROCKER NATIONAL BANK,
as Trustee

By

J. M. Kilday
VICE PRESIDENT

[CORPORATE SEAL]

ATTEST:

A. K.

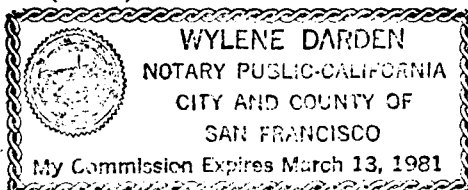
ASSISTANT SECRETARY

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO } ss.:

On this 29TH day of MARCH, 1979, before me, WYLENE DARDEN, a Notary Public in and for the City and County of San Francisco, State of California, residing therein, duly commissioned and sworn, personally appeared R. W. STUMBO, JR., known to me to be the Sec. Vice President - Finance of THE WESTERN PACIFIC RAILROAD COMPANY, one of the corporations that executed the foregoing instrument, and known to me to be the person who executed the foregoing instrument on behalf of said corporation, and he acknowledged to me that such corporation executed the same; and being by me duly sworn, he did say: That he is the officer of said corporation as above designated; that said instrument was signed on behalf of said corporation by authority of a resolution of its Board of Directors; that he is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument on behalf of said corporation were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

(SEAL)



Wylene Darden
Notary Public
in and for the City and County of
San Francisco, State of California.

My Commission expires

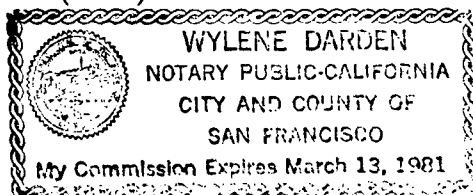
March 13, 1981

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO } ss.:

On this 29TH day of MARCH, 1979, before me, WYLENE DARDEN, a Notary Public in and for the City and County of San Francisco, State of California, residing therein, duly commissioned and sworn, personally appeared R. W. STUMBO, JR., known to me to be the Sr. Vice President - Finance of NEWRAIL COMPANY, INC., one of the corporations that executed the foregoing instrument, and known to me to be the person who executed the foregoing instrument on behalf of said corporation, and he acknowledged to me that such corporation executed the same; and being by me duly sworn, he did say: That he is the officer of said corporation as above designated; that said instrument was signed on behalf of said corporation by authority of a resolution of its Board of Directors; that he is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument on behalf of said corporation were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

(SEAL)



My Commission expires

March 13, 1981

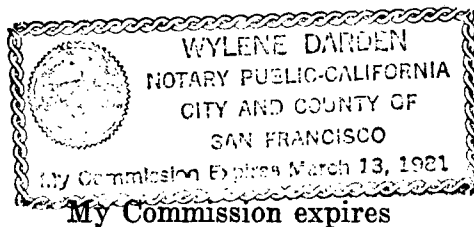
Wylene Darden
Notary Public
in and for the City and County of
San Francisco, State of California.

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO } ss.:

On this 29TH day of MARCH, 1979, before me, WYLENE DARDEN, a Notary Public in and for the City and County of San Francisco, State of California, residing therein, duly commissioned and sworn, personally appeared J. M. Keldsen, known to me to be the VICE PRESIDENT of CROCKER NATIONAL BANK, one of the corporations that executed the foregoing instrument, and known to me to be the person who executed the foregoing instrument on behalf of said corporation, and he acknowledged to me that such corporation executed the same; and being by me duly sworn, he did say: That he is the officer of said corporation as above designated; that said instrument was signed on behalf of said corporation by authority of a resolution of its Board of Directors; that he is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; that the signatures to said instrument on behalf of said corporation were made by officers of said corporation as indicated after said signatures; and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

(SEAL)



My Commission expires

March 13, 1981

Wylene Darden
Notary Public
in and for the City and County of
San Francisco, State of California.